

AGENDA ITEM NO. 2

AGENDA REPORT

OVERSIGHT BOARD FOR THE CITY OF MAYWOOD
AS SUCCESSOR AGENCY OF THE MAYWOOD
COMMUNITY REDEVELOPMENT AGENCY

DATE: FEBRUARY 13, 2013
TO: HONORABLE CHAIR AND MEMBERS OF THE OVERSIGHT BOARD
FROM: ANDRE DUPRET, PROJECT MANAGER
SUBJECT: REVIEW, APPROVE AND ADOPT RESOLUTION FOR THE
RECOGNIZED OBLIGATION PAYMENT SCHEDULE 13-14 A.

RECOMMENDATION

That the Oversight Board for the City of Maywood ("Oversight Board"), as Successor Agency of the Maywood Community Redevelopment Agency ("Successor Agency"), approve Resolution No. 13-0668 adopting the Recognized Obligation Payment Schedule for the period July 1, 2013 through December 31, 2013 ("ROPS 13-14A").

FISCAL IMPACT

ROPS 13-14A will pay the Successor Agency's enforceable obligations and administrative expenses.

BACKGROUND

On December 29, 2011, in the *CRA v. Matosantos* case, the Court upheld ABX1 26 and invalidated ABX1 27 thereby eliminating redevelopment agencies and the voluntary option to pay to continue redevelopment. All redevelopment agencies in California were dissolved effective February 1, 2012 with assets, properties, and documents transferred to the successor agencies. Pursuant to the Dissolution Bills, the Successor Agency must submit a report of its enforceable obligations (aka ROPS 13-14A) for the period July 1, 2013 through December 31, 2013. ROPS 13-14A is presented to the Successor Agency for consideration and adoption.

DISCUSSION

To ensure that the Successor Agency receives funds from the State of California to pay its 2013 bond indebtedness and other obligation(s) such as administrative and

maintenance costs associated with successor agency dissolution activities, the DOF requires the Successor Agency prepare a ROPS every six months. The ROPS being considered tonight is the fourth consecutive ROPS that has been brought before the Agency for approval this year.

As with the previous ROPS, ROPS 13-14A is first sent to the Successor Agency for consideration (this occurred on February 11, 2013) and then forwarded to the Oversight Board for its approval as required by the Dissolution Bills (today's action). The approved ROPS 13-14A, along with the adopting resolution, will then be submitted to the California Department of Finance, the Los Angeles County Auditor-Controller and other agencies as required by the Dissolution Act for final review and action.

Administrative Cost Allowance

The administrative cost allowance was increased to the statutory amount set forth in Section 34171(b). This includes legal services for the Oversight Board and additional time spent by the Successor Agency attorney and staff responding to requests.

City Loans

The California Department of Finance ("DOF") denied City loans to the former redevelopment agency across the board during the ROPS III period until the successor agency obtains its Finding of Completion. The DOF staff suggested that the Successor Agency include the City loans to the former redevelopment agency on its ROPS 13-14A because it would likely obtain its Finding of Completion during the ROPS 13-14A period. However, the DOF has "locked" the spreadsheet so that this line item carries over from ROPS III but cannot be manipulated in any way.

Staff Time Spent on CDC

When the due diligence review was conducted by Moss, Levy & Hartzheim, the auditor pointed out that the Successor Agency was entitled to recoup City staff time spent working for the former redevelopment agency. This is consistent with the definition of "enforceable obligation" as "obligations imposed by state law ... or legally enforceable payments required in connection with the agencies' employees..." (Health and Safety Code Section 34171(d)(1)(C).)

Under the Community Redevelopment Law, the former redevelopment agency was explicitly authorized to utilize City staff and resources. (Section 33128.) If the City complied with its statutory obligation under Section 33128, it would be an improper gift of public funds if it did not seek reimbursement of City staff and resources.

Attachments: 1. Resolution
2. ROPS 13-14A

RESOLUTION NO. _____

A RESOLUTION OF THE OVERSIGHT BOARD OF THE CITY OF MAYWOOD AS SUCCESSOR AGENCY TO THE MAYWOOD COMMUNITY REDEVELOPMENT AGENCY ADOPTING THE FOURTH RECOGNIZED OBLIGATIONS PAYMENT SCHEDULE (“ROPS 13-14A”) FOR THE PERIOD JULY 1, 2013 THROUGH DECEMBER 31, 2013 PURSUANT TO HEALTH AND SAFETY CODE SECTION 34177

WHEREAS, the Maywood Community Redevelopment Agency, Maywood, California (“Agency”) was formed for the purpose of revitalizing areas within the City of Maywood pursuant to Health and Safety Code Section 33000, et. seq.; and

WHEREAS, AB X1 26 and AB 1484 (“the Dissolution Bills”) dissolved all redevelopment agencies in the State of California; and

WHEREAS, the City of Maywood opted to serve as Successor Agency to the Maywood Community Redevelopment Agency (“Successor Agency”); and

WHEREAS, under the Dissolution Bills, the Successor Agency must submit a Recognized Obligation Payment Schedule (“ROPS”) every six months that sets forth all of the Successor Agency’s financial obligations over that period; and

WHEREAS, the City as Successor Agency to the Maywood Community Redevelopment Agency reviewed and approved resolution adopting the Recognized Obligation Payment Schedule for the period of July 1, 2013 through December 31, 2013 (ROPS 13-14A); and

WHEREAS, the ROPS 13-13A for the period July 1, 2013 through December 31, 2013 is due to the California Department of Finance (DOF) on or before February 19, 2013.

NOW THEREFORE, THE OVERSIGHT BOARD OF THE CITY OF MAYWOOD AS SUCCESSOR AGENCY TO THE MAYWOOD COMMUNITY REDEVELOPMENT AGENCY DOES RESOLVE, DETERMINE, FIND AND ORDER AS FOLLOWS:

SECTION 1. The Oversight Board of the City of Maywood as Successor Agency to the Maywood Community Redevelopment Agency (“Maywood Oversight Board”) finds that the above recitations are true and correct and, accordingly, are incorporated as a material part of this Resolution.

SECTION 2. The ROPS 13-14A for the period July 1, 2013 through December 31, 2013, and attached hereto as Attachment 1, is hereby approved, adopted, and incorporated by reference by the Maywood Oversight Board pursuant to Health & Safety Code Section 34177.

SECTION 3. The Maywood Oversight Board authorizes staff to take all necessary administrative actions to comply with Health & Safety Code Section 34177.

Resolution No. _____

SECTION 4. The Maywood Oversight Board Secretary shall certify to the passage and adoption of this resolution and enter it into the book of original resolutions.

PASSED, APPROVED AND ADOPTED ON this 13th day of February, 2013.

Lilian Myers, Chair
Oversight Board of Successor Agency to the
Maywood Community Redevelopment Agency

ATTEST:

Ivonne Umana
Oversight Board Secretary

I HEREBY CERTIFY the foregoing resolution was duly adopted by the Oversight Board of the Successor Agency to the Maywood Community Redevelopment Agency at a regular meeting held on the 13th day of February, 2013, by the following vote:

AYES:

NAYES:

ABSENT:

ABSTAIN:

Ivonne Umana
Oversight Board Secretary

ATTACHMENT 1
Resolution

ATTACHMENT 2

ROPS 13-14A

For the period July 1, 2013 through December 31, 2013

SUCCESSOR AGENCY CONTACT INFORMATION

Successor Agency

ID: **127**
County: **Los Angeles**
Successor Agency: **Maywood**

Primary Contact

Honorific (Ms, Mr, Mrs)	Mr.
First Name	Andre
Last Name	Dupre
Title	Project Manager
Address	4319 Slauson Ave
City	Maywood
State	CA
Zip	90270
Phone Number	323-562-5721
Email Address	andre.dupret@cityofmaywood.org

Secondary Contact

Honorific (Ms, Mr, Mrs)	Ms.
First Name	Regina
Last Name	Tercero
Title	Successor Agency Finance Manager
Phone Number	323-562-5707
Email Address	regina.tercero@cityofmaywood.org

SUMMARY OF RECOGNIZED OBLIGATION PAYMENT SCHEDULE

Filed for the July 1, 2013 to December 31, 2013 Period

Name of Successor Agency: MAYWOOD (LOS ANGELES)

Outstanding Debt or Obligation	Total
Total Outstanding Debt or Obligation	\$18,566,661

Current Period Outstanding Debt or Obligation	Six-Month Total
A Available Revenues Other Than Anticipated RPTTF Funding	\$0
B Enforceable Obligations Funded with RPTTF	\$1,075,026
C Administrative Allowance Funded with RPTTF	\$125,000
D Total RPTTF Funded (B + C = D)	\$1,200,026
E Total Current Period Outstanding Debt or Obligation (A + B + C = E) <i>Should be same amount as ROPS form six-month total</i>	\$1,200,026
F Enter Total Six-Month Anticipated RPTTF Funding	\$1,200,026
G Variance (F - D = G) <i>Maximum RPTTF Allowable should not exceed Total Anticipated RPTTF Funding</i>	\$0

Prior Period (July 1, 2012 through December 31, 2012) Estimated vs. Actual Payments (as required in HSC section 34186 (a))

H Enter Estimated Obligations Funded by RPTTF <i>(lesser of Finance's approved RPTTF amount including admin allowance or the actual amount distributed)</i>	\$1,041,796
I Enter Actual Obligations Paid with RPTTF	\$869,448
J Enter Actual Administrative Expenses Paid with RPTTF	\$125,000
K Adjustment to Redevelopment Obligation Retirement Fund (H - (I + J) = K)	\$47,348
L Adjustment to RPTTF (D - K = L)	\$1,152,678

Certification of Oversight Board Chairman:

Pursuant to Section 34177(m) of the Health and Safety code,

I hereby certify that the above is a true and accurate Recognized

Obligation Payment Schedule for the above named agency.

Lilian Myers

Name

Oversight Board Chair

Title

/s/

Signature

Date

Oversight Board Approval Date: _____

Oversight Board Approval Date: _____

MAYWOOD (LOS ANGELES)

Pursuant to Health and Safety Code section 34186 (a)

PRIOR PERIOD ESTIMATED OBLIGATIONS vs. ACTUAL PAYMENT

RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS I

July 1, 2012 through December 31, 201

[illegible]

MAYWOOD (LOS ANGELES)

RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS 13-14A) -- Notes (Optional)

July 1, 2013 through December 31, 2013

[illegible]